

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made this 16th day of September, 1997, between Allen Mallett and Barbara H. Mallet, husband and wife ("Lessor") having an address at P.O. Box 35, Walls, MS 38680 and PEBE'S Convenience and Service, LLC, a Mississippi Limited Liability Company ("Lessee") having an address at 6520 Highway 61 North, Walls, Mississippi 38680.

In consideration of the mutual covenants and agreements contained herein, Lessor and Lessee agree as follows:

1. **DEMISE OF PREMISES:** Lessor hereby leases to Lessee, and Lessee hereby takes from Lessor, the premises consisting of (i) the parcel or parcels of land being described in Exhibit A attached hereto, (ii) all improvements constructed on such parcels, and (iii) all rights, privileges, easements and appurtenances belonging to or in any way relating to such parcels (collectively, the "Demised Premises").
2. **TERM:** The term of this Lease shall be for seven (7) years beginning September 16, 1997, and terminating September 15, 2004.
3. **PAYMENT OF RENT:**

- A. Lessee covenants and agrees to pay, at Lessor's mailing address, or at such address as may be designated in writing by Lessor, a total rental of Two Hundred Twenty Six Thousand and 00/100 (\$226,200.00) Dollars, payable in advance in monthly installments as more particularly set forth below commencing on or before September 16, 1997.

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STATE MS.-DE SOTO CO.
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- (1) First Year - \$24,000.00, in equal monthly payments of \$2,000.00.
- (2) Second Year - \$26,400.00, in equal monthly payments of \$2,200.00.
- (3) Third Year - \$28,800.00, in equal monthly payments of \$2,400.00.
- (4) Fourth Year - \$31,800.00, in equal monthly payments of \$2,650.00.
- (5) Fifth Year - \$34,800.00, in equal monthly payments of \$2,900.00.
- (6) Sixth Year - \$38,400.00, in equal monthly payments of \$3,200.00.
- (7) Seventh Year - \$42,000.00, in equal monthly payments of \$3,500.00.

- B. Lessee covenants to pay and discharge when the same shall become due as additional rent, all other amounts, liabilities, and obligations which Lessee assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest, and cost which may be added for non-payment or late payment thereof. In the event of any failure by Lessee to pay or discharge any of the foregoing, Lessor shall have all rights, powers, and remedies provided herein, by law or otherwise, in the case of non-payment of the rent. Lessee will also pay to Lessor on demand as additional rent, five percent (5%) (or the highest rate permitted by law, whichever is less) on all overdue installments of rent paid after five (5) days from the due date thereof until paid in full and on all overdue amounts of additional rent relating to obligations which Lessor shall have paid on behalf of Lessee.

4. **USE OF DEMISED PREMISES:** The Demised Premises shall be used and occupied for the display and sale at retail of deli and convenience store items, automotive fuels and related items and other merchandise commonly sold in deli and convenience stores with automotive fuel dispensers (including sales from any legally permitted gaming devices and sales of lottery tickets), and for any other use permitted pursuant to the zoning laws of DeSoto County, Mississippi. In addition, Lessee shall have the right to use a reasonable portion of the Demised Premises for clerical purposes as may be necessary for the efficient conduct of Lessee's on-premises business and a reasonable portion for storage of merchandise Lessee intends to offer for sale from the Demised Premises.

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5. **COMPLIANCE WITH LAW:** Lessee shall comply with all governmental laws, ordinances and regulations applicable to the Demised Premises and shall not cause or permit the Demised Premises to be in violation of, any Federal, state, or local laws, ordinances or regulation relating to hygiene or to the environmental conditions on, under, about, or affecting the Demised Premises. Except for the sale of deli and convenience store items with automotive fuel dispensers in commercially reasonable quantities, all in strict compliance with all applicable environmental laws, ordinances and regulations, the Lessee shall not use, generate, manufacture, store or dispose of on, under, or about the Demised Premises or transport to or from the Demised Premises any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation any substances defined as or included in the definition of "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations.

6. **IMPROVEMENTS:**
 - A. Lessee agrees to keep in good repair and safe condition throughout the term of this Lease the leased premises and buildings and improvements which Lessee or Lessor shall erect on the Demised Premises.
 - B. All buildings and improvements constructed upon the Demised Premises shall be deemed to become permanent additions to the real estate.

7. **MAINTENANCE:**
 - A. Notwithstanding anything to the contrary herein, it is understood and agreed between the parties that the maintenance, condition, and governmental compliance of the Automotive Fuel Storage and Dispensing System, hereinafter referred to as "AFSDS", shall be the responsibility of Lessor and Lessee as hereinafter provided:
 1. Lessor shall be responsible for the maintenance, condition and governmental compliance of that part of the AFSDS consisting of above and below ground fuel storage tanks, fuel lines and couplings; and also below ground electrical lines and connections; and any further part of the AFSDS that would require underground excavation for maintenance, repair, replacement and/or condition. Such collective responsibility is hereinafter referred to as "LESSOR-AFSDS."
 2. Lessee shall be responsible for the maintenance, condition and governmental compliance of the remaining part of the AFSDS consisting of, but not limited to, the above ground fuel dispensers and hoses utilized to insert fuels into automobiles; and also the Veeder-Root Monitoring System; provided, however, Lessee shall not be responsible for any maintenance, repair, replacement and/or condition of any part of the AFSDS which would require underground excavation. Such collective responsibility is hereinafter referred to as "LESSEE-AFSDS."
 - B. This is a "net lease" and Lessee shall, at its expense and risk, subject to the provisions of Paragraph 17 herein, maintain the Demised Premises, excluding LESSOR-AFSDS, in good condition including, but not limited to, the roof, exterior walls, foundation, windows and doors of the Demised Premises and all glass therein; the heating system, air conditioning equipment and plumbing; and Lessee's improvements, trade fixtures and equipment.

- C. Lessee shall, at its sole cost and expense, maintain all exterior portions of the Demised Premises, excluding LESSOR-AFSDS, but, including all landscaping, parking areas, driveways, sidewalks, loading docks, stairs and ramps in good order and condition throughout the Lease Term.
 - D. In the event that Lessee fails or neglects to make adequate repairs to the Demised Premises, excluding LESSOR-AFSDS and as specified hereinabove within 30 days after receipt of written notice from Lessor of the necessity thereof, or within 24 hours in the event of an emergency, then Lessor may, but shall not be obligated to, make such repairs. Any sums expended by Lessor in making such repairs shall be additional rent hereunder and shall be repaid by Lessee within 20 days following written notice thereof. In the event such repairs cannot reasonably be completed within 30 days after receipt of written notice from Lessor of the necessity thereof, and Lessee commences the making of such repairs within said 30 day period and thereafter pursues the completion thereof with reasonable diligence, Lessee shall have such additional time as is reasonably necessary to complete the same before Lessor has the right to exercise any remedies set forth in this Lease.
 - E. In the event Lessor fails or neglects to make adequate repairs to the LESSOR-AFSDS as heretofore agreed within 30 days after receipt of written notice from Lessee of the necessity thereof, or within 24 hours in the event of an emergency then Lessee may, but shall not be obligated to, make such repairs. Any sums expended by Lessee in making such repairs shall be repaid by Lessor within 20 days following written notice thereof or shall be an off-set to rent and/or additional rent to be paid by Lessee. In the event such repairs cannot reasonably be completed within 30 days after receipt of written notice from Lessee of the necessity thereof, and Lessor commences the making of such repairs within said 30 day period and thereafter with reasonable diligence, Lessor shall have such additional time as is reasonably necessary to complete the same before Lessee has the right to exercise any remedies set forth in this Lease.
8. NET LEASE; NON-TERMINABILITY; LESSOR'S RIGHT OF ENTRY; LESSEE'S CONDITION OF RIGHTS:
- A. This is a "Net Lease," and the rent, additional rent, and all other sums payable hereunder by Lessee, shall be paid without notice or demand and without set-off, counterclaim, abatement (except as otherwise expressly provided), suspension, deduction, or defense.
 - B. This Lease shall not terminate, nor shall Lessee have any right to terminate Lease (except as otherwise expressly provided), nor shall Lessee be entitled to any abatement or reduction of rent hereunder (except as otherwise expressly provided), nor shall the obligations of Lessee under this Lease be affected by reason of any default on the part of the Lessor under this Lease or under any other agreement to which Lessor and Lessee may be parties (except as otherwise expressly provided). It is the intention of the parties hereto that the obligations of Lessee hereunder shall be separate and independent covenants and agreements, that the rent, the additional rent, and all other sums payable by Lessee hereunder shall continue to be payable in all events (except as otherwise expressly provided), and that the obligations of Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision hereof.
 - C. Lessee agrees that it will remain obligated hereunder in accordance herewith, and that it will not take any action to terminate, rescind, or void this Lease, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding

affecting Lessor or any assignee of Lessor in any such proceeding and (ii) any action with respect hereto which may be taken by any trustee or receiver of Lessor or of any assignee of Lessor in any such proceeding or by any court in any such proceeding.

- D. Lessee waives all rights which may now or hereafter be conferred by law (i) to quit, terminate, or surrender this Lease or the Demised Premises or any part thereof, or (ii) to any abatement, suspension, deferment, or reduction of the rent, additional rent, or any other sums payable hereunder, except as otherwise expressly provided herein.
 - E. Lessor and its authorized agents shall have the right to enter the Demised Premises during Lessee's normal business hours for the following purposes: (a) inspecting the general condition and state of repair of the Demised Premises, and (b) showing the Demised Premises to any prospective purchaser or Lender. Lessor and its authorized agents shall have the right to enter the Demised Premises at any time during which an apparent emergency exists. Notwithstanding anything herein to the contrary, at any time Lessor enters the Demised Premises, Lessor shall use reasonable efforts to keep interference in Lessee's business to a minimum. If Lessee does not renew or extend this Lease prior to the final one hundred eighty (180) days of the Lease Term, Lessor and its authorized agents shall have the right during the final one hundred eighty (180) days of the Lease Term, (a) to enter the Demised Premises during Lessee's normal business hours for the showing of the Demised Premises to prospective tenants, and (b) to erect on or about the Demised Premises a customary sign or reasonable size, advertising the property for sale or lease, which sign shall be not removed, obliterated or hidden by Lessee.
 - F. Notwithstanding any provision in this Lease to the contrary, should Lessor fail to maintain the condition or comply with governmental laws and regulations of the LESSOR-AFSDS, Lessee shall have the right to terminate this Lease, or at Lessee's option, to maintain and/or repair such so as to be in good condition, operational, and in governmental compliance and the cost of such may be setoff, counter claim, abatement, suspension, deduction, or defense to any obligations of Lessee under this Lease.
9. **ALTERATIONS, ADDITIONS, AND IMPROVEMENTS:** Upon obtaining Lessor's prior written consent, which shall not be unreasonably withheld, Lessee shall have the right at all times during the Lease Term to make additions to and alterations of and substitutions and replacements for the buildings, structures, or other improvements to the Demised Premises and to remodel the interior thereof, as the Lessee may reasonably deem desirable or necessary; provided, however, that (i) the market value of the Demised Premises shall not thereby be lessened, (ii) the foregoing actions shall be performed in a good and workmanlike, first-class manner, and (iii) such additions, alterations, substitutions, and replacements shall be expeditiously completed in compliance with applicable laws, ordinances, orders, rules, regulations and requirements. In the case of any demolition of any building structure or improvement pursuant to this Paragraph 9, Lessee shall prior to the commencement thereof, furnish Lessor with a surety bond or bonds or other security, acceptable to Lessor, to assure the rebuilding of the building structure or improvement to be demolished. Title to all such additions, alterations, substitutions, and replacements shall immediately vest in Lessor, and all thereof shall be part of the Demised Premises.
10. **EXPIRATION OF LEASE TERM:** Except in the event of purchase of the Demised Premises by Lessee, all of Lessee's personal property, and all furnishings, movable trade fixtures and equipment which are not permanently attached to the Demised Premises, shall be deemed the property of Lessee, and upon the expiration or earlier termination of this Lease, Lessee shall the right to remove such items so installed in

the Demised Premises, and Lessee shall, prior to the expiration or earlier termination of this Lease, repair any damage caused by such removal. If Lessee chooses not to remove any such personal property, Lessor may require Lessee to do so if Lessor so chooses. All alterations, additions or improvements that are permanently attached to the Demised Premises, including air conditioning and heating equipment, shall immediately become the property of Lessor, and Lessee shall not remove the same. Upon the expiration or earlier termination of this Lease, Lessee shall deliver up the Demised Premises "broom clean" and in good repair and condition, reasonable wear and tear and damage by fire, tornado, acts of God or other casualty excepted (except as otherwise expressly provided in this Lease).

11. **LIENS:** If, because of any act or omission of Lessee, any mechanic's or other lien or order for the payment of money shall be filed against the Demised Premises or against Lessor with respect to the Demised Premises, Lessee shall, at its expense, within 30 days after receipt of notice of the filing thereof, cause the same to be canceled and discharged of record or furnish Lessor with a surety bond issued by a surety company, protecting Lessor from any loss resulting from nonpayment of such lien claim, and further shall indemnify, defend, and save harmless Lessor from and against any and all cost, expenses, claims, losses or damages, including reasonable counsel fees, resulting thereupon or by reason thereof. Notice is hereby given that Lessor will not be liable for any labor, services, or materials furnished or to be furnished to Lessee, or to anyone holding the Demised Premises or any part through or under Lessee, and that no mechanic's or other liens for any such labor, services, or materials shall attach to or affect the interest of Lessor in and to the Demised Premises.
12. **SIGNS:**
 - A. Lessee shall have the right to erect a sign on the exterior of the Demised Premises and other signage Lessee may deem desirable or necessary on the exterior walls of the Demised Premises, securely attached to and parallel to said walls. Such signs shall not exceed the maximum size permitted by local building or local governing authority's codes. Lessee shall remove all signs at the termination of this Lease and shall repair any damage caused by such removal. Lessee may erect a flag pole, a pylon, and install a sign or signs thereon. Lessee shall, at Lessee's sole cost and expense, obtain all approvals required by local governing authorities prior to installing any such signs.
 - B. Once Lessee has installed a sign or signs in accordance with Paragraph 12A above, Lessee shall have the right to use such sign or signs throughout the Lease Term and any renewal or extension thereof.
13. **TAXES:**
 - A. As part of the consideration for the Lease, and in addition to the rentals and other payments herein provided, Lessee shall pay to the appropriate agency, as the same becomes due and payable, or within the time required by law to prevent delinquency or penalties thereof, throughout the entire term of the Lease, all general and special taxes of all kinds (exclusive of income taxes payable by Lessor on the rent received hereunder), assessed against the Demised Premises or any improvements located thereon, commencing on September 15, 1997, including any partial real estate tax fiscal year thereafter (collectively referred to as "Lessee's Tax Charge"). Lessee may contest or appeal the legality or amount of any said tax, and may do so in Lessee's or Lessor's name, but Lessee shall pay all costs of any such proceedings and shall indemnify Lessor against any damage or loss by reason of such action.
 - B. For purpose of Paragraph 13A above, Lessee's Tax Charge shall include all real estate taxes and all public and governmental charges and assessments lawfully levied or assessed upon the land and improvements comprising the

Demised Premises including all extraordinary and special assessments (other than those special assessments which are specifically excluded hereinafter), all water and sewer taxes and charges, and all sales taxes levied, imposed or assessed by any governmental body or other lawful authority upon the rent and other charges payable hereunder, provided, however, that Lessee's Tax Charge shall exclude any franchise, corporation, income or profit tax or capital levy that is or may be imposed upon Lessor, and any inheritance, estate, succession, transfer, gift or other tax, charge or imposition by whomsoever levied or assessed, by reason of or arising because of, any devise, descent or transfer of the Demised Premises or any interest therein by Lessor or its successors-in-title.

- C. Any payment made by Lessee pursuant to this Paragraph 13 with respect to a real estate tax fiscal year in which this Lease commences or terminates shall be prorated according to the number of days in such partial real estate tax fiscal year which coincides with the Lease Term, based on a 365-day year.

14. INSURANCE:

- A. Lessee shall, at Lessee's sole cost and expense, maintain and keep in force insurance on the Demised Premises of the following character: (i) comprehensive general liability insurance in the minimum amount of Two Million and 00/100 (\$2,000,000.00) Dollars combined single limit bodily injury and property damage. The foregoing comprehensive general liability insurance policy shall, if requested in writing by Lessor, name Lessor and any other party it may reasonably designate as additional insureds, as their respective interests may appear; (ii) fire and extended coverage insurance on an "all risks" basis, including flood and earthquake, on the Demised Premises (except as otherwise expressly provided in this Lease) and upon property owned by Lessee, including furniture, alterations, additions and anything in the nature of leasehold improvements, in the amount equal to 100% of the full replacement cost thereof, less any deductible, which shall not exceed Two Thousand Five Hundred and 00/100 (\$2,500.00) Dollars. The foregoing fire and extended coverage insurance policy shall, if requested in writing by Lessor, name Lessor and any other party it may reasonably designate, as named insureds or loss payees as their respective interests may appear; and (iii) workers compensation insurance covering all persons employed in connection with any work done on or about the Demised Premises with respect to which claims for death or bodily injury could be asserted against Lessor, Lessee, or the Demised Premises.
- B. Lessee's insurance company shall carry a policyholder's rating of not less than "A+" and shall carry a financial rating of not less than "X" as designated in the most current Best's Insurance Guide, shall be licensed to do business in the state in which the Demised Premises are located. Prior to the commencement of the Lease and annually thereafter at least 30 days prior to expiration of such policies of insurance, Lessee shall furnish Lessor a certificate of insurance. In the event Lessee fails to furnish Lessor such certificate, Lessor shall notify Lessee thereof in writing. If such failure continues for a period of 20 days after Lessee receives such written notice, Lessor shall have the right, but not the obligation, to obtain such insurance on behalf of and for the account of the Lessee, for a period not to exceed one year, and Lessee shall pay Lessor, as additional rent, for the actual cost incurred by Lessor in obtaining such insurance within 20 days after receipt of written demand thereof and copies of the insurance premium.
- C. Lessee's obligation to carry the insurance provided for above may be satisfied within the coverage of a so-called "blanket policy" or "blanket policies" of insurance, provided, however, that the coverage afforded will not be reduced

or diminished by reason of the use of such blanket policy or policies.

- D. Lessee shall not be responsible to Lessor for the above-described risks for any amounts in excess of the coverage limits of such insurance policy or policies.
 - E. Lessor shall be responsible for the payment of any fees for participation in the environmental clean-up fund offered by the State of Mississippi.
15. **MUTUAL WAIVER OR SUBROGATION:** Each party hereto waives any and every claim which may arise in its favor and against the other party hereto, during the Lease Term or any renewal or extension thereof, for any and all loss of, or damage to, any of its property constituting a part of, the Demised Premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Said mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as the above mutual waivers preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other company or person), each party hereto agrees immediately to give each insurance company which has issued to it policies of fire and extended coverage insurance, written notice of the terms of said mutual waiver. Said mutual waiver shall not be applicable to the extent of either party's deductible under its fire and extended coverage insurance policy.
16. **HOLD HARMLESS:** Lessor shall not be liable to Lessee or Lessee's employees, agents or contractors or to any other persons claiming through or under Lessee for any injury to person or damage to property on the Demised Premises caused by the negligence or misconduct of Lessee, its employees, agents or contractors. Lessor shall not be liable to Lessee or Lessee's employees, agents or contractors or to any other persons claiming through or under Lessee for any injury to person or damage to property outside of the Demised Premises caused by the negligence of Lessee. Lessee agrees to indemnify Lessor for, defend and hold it harmless from any loss, expense or claims arising out of any such damage or injury. Further, Lessor agrees to indemnify Lessee for, defend and hold harmless from any loss, expense or claims arising out of any damage or injury from the LESSOR-AFSDS as provided herein.
17. **FIRE AND CASUALTY DAMAGE:**
- A. If the Demised Premises shall be substantially damaged or destroyed in any single casualty so that the Demised Premises shall be, in Lessee's reasonable judgement, unsuitable for restoration for Lessee's continued use and occupancy in Lessee's business, then, at Lessee's option and in lieu of rebuilding, replacing, or repairing the Demised Premises as provided herein, Lessee may give notice to Lessor, within 30 days after the occurrence of such damage or destruction of its intention to terminate the Lease, upon receipt of which by Lessor this Lease shall be terminated. If Lessee shall terminate this Lease pursuant to this Paragraph 17A, Lessee shall thereupon pay over or assign any insurance proceeds payable with regard to the Demised Premises, together with all installments of rent and additional rent and all other sums due and payable under this Lease to and including the date of termination.
 - B. If the Demised Premises or any part thereof shall be damaged or destroyed by fire or other casualty, which damage is not sufficient to allow Lessee to terminate this Lease as provided in Paragraph 17A, then this Lease shall continue in full force and effect without abatement or reduction of the rent or any additional rent, notwithstanding such damage. Lessee shall, promptly after any such damage or casualty and at its expense, rebuild, replace, and repair any damage or destruction to the Demised Premises in conformity with the requirements of Paragraph 17A, in such a manner as to restore the same

to an economic unit having a fair market value not less than the fair market value of the Demised Premises immediately prior to such damage or destruction. Provided, however, Lessee shall not be responsible to Lessor for the above-described damage or casualty for any amounts in excess of the coverage limits of such insurance policy or policies as provided in Paragraph 14.

18. CONDEMNATION:

- A. Subject to the rights of Lessee as set forth in this Paragraph 18, Lessee hereby irrevocably assigns to Lessor any award or payment to which Lessee may be or become entitled by reason of any taking of the Demised Premises or any part thereof in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of the temporary requisition of the use or occupancy of the Demised Premises or any part thereof by any governmental authority, civil or military, whether the same shall be paid or payable in respect of Lessee's leasehold interest hereunder or otherwise.
- B. If, during the Lease Term or any extension thereof, the Demised Premises is taken in or by condemnation or other eminent domain proceedings in whole, or any substantial portion of the Demised Premises that is sufficient to render, in the reasonable judgement of Lessee, the remaining portion thereof unsuitable for Lessee's continued use or occupancy in Lessee's business, this Lease shall terminate as of the date of such condemnation and the rent and all additional rent through such date shall be due and payable.
- C. If a portion of the Demised Premises shall be taken in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, which taking is not sufficient to allow Lessee to terminate the Lease as provided in Paragraph 18B, then this Lease shall continue in full force and effect without abatement or reduction of the rent or any additional rent, notwithstanding such taking. Lessee shall, promptly after any such taking or requisition and at its sole cost and expense, repair any damage caused by any such taking in conformity with the requirements of Paragraph 17A, so that after the completion of such repair, the Demised Premises shall be, as nearly as possible, in a condition as good as the condition thereof immediately prior to such taking, except for ordinary wear and tear. In the event that Lessee shall rebuild or repair the Demised Premises pursuant to this Paragraph 18C, Lessee shall be entitled to receive from Lessor a portion of any condemnation or other award in connection with such taking in an amount equal to the cost incurred by Lessee in connection with such repairs or rebuilding.
- D. For the purposes hereof, all amounts payable pursuant to any agreement with any condemning authority that has been made in settlement of or under threat of any condemnation or other eminent domain proceeding affecting the Demised Premises shall be deemed to constitute an award made in such proceeding.

19. DEFAULT BY LESSEE: REMEDIES:

- A. The following events shall be deemed to be Events of Default by Lessee under this Lease:
 - (1) Lessee's failure to pay any installment of rent or additional rent on the date that the same is due and such failure shall continue for a period of 20 days after receipt of written notice thereof by Lessor;
 - (2) Lessee's failure to comply with any term, condition or covenant of this

Lease other than payment of rent, and such failure shall not be cured within 30 days after the receipt of written notice thereof by Lessee, or, if such failure cannot be reasonably be cured within the said 30 days, Lessee's failure to commence to cure such failure within 30 days after the receipt of written notice thereof from Lessor;

- (3) The filing of a petition under any section or chapter of the Bankruptcy Statutes of the United States as amended or under any similar law or statute of the United States or any state thereof, provided the same is not discharged within 60 days, or adjudication of Lessee as bankrupt or involvement in proceedings filed against Lessee thereunder; and
 - (4) The appointment of a receiver or trustee for all or substantially all of the assets of Lessee.
- B. Upon the occurrence of any of such Events of Default, Lessor may immediately re-enter the Demised Premises, pursuant to due process of law and provided Lessor takes reasonable care not to damage Lessee's property, and dispossess Lessee and all other occupants therefrom and remove and store all property therein in a public warehouse at the cost of and for the account of the Lessee, without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, except in the event any loss or damage is due to Lessor's negligence in exercising reasonable care as aforesaid. Should Lessor elect to re-enter as hereinabove provided, it may either terminate this Lease or it may, from time to time, without terminating this Lease, make such repairs as may be necessary in order to relet the Demised Premises, and relet the Demised Premises at commercially reasonable rates for a term or terms (which may be for a term extending beyond the Lease Term, provided Lessee's liability shall not extend beyond the Lease Term) and upon such other terms and conditions as Lessor may reasonably deem advisable. All rentals received by Lessor from such reletting shall be applied first, to the payment of any indebtedness other than rent due hereunder from Lessee to Lessor; second, to the payment of any reasonable costs and expenses of such reletting, including reasonable brokerage and attorney's fees and the reasonable costs of any necessary repairs to the Demised Premises; third, to the payment of rent due hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. If such rental received from such reletting during any month is less than that to be paid during the month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry by Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such election is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach by Lessee.
- C. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Lessor herein or of any damages accruing to Lessor by reason of the violation by Lessee of any of the terms, conditions and covenants herein contained.

20. DEFAULT BY LESSOR; REMEDIES:

- A. Except as other expressly provided in this Lease, if Lessor shall fail or neglect to perform or observe any of the terms, covenants or conditions of this Lease

on its part to be performed or observed within 30 days after the receipt of written notice of default or, when more than 30 days are reasonably required because of the nature of the default, if Lessor shall fail to commence and proceed diligently to cure such default within 30 days after receipt of written notice thereof, the Lessor shall be liable for any and all damages sustained by Lessee as a result of Lessor's breach.

B. Provided that Lessee has been notified in writing of the most current mailing address of Lessor's mortgagee, Lessee shall notify said mortgagee of Lessor's default and shall afford said mortgagee a period of 30 days after receipt of such notice to cure any default by Lessor on Lessor's behalf.

21. **WAIVER OF DEFAULT:** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the terms or any other term, condition or covenant contained herein.
22. **ATTORNEY'S FEES:** In the event that either party hereto shall bring legal action against the other party, the prevailing party shall be entitled to reimbursement from the other party for all reasonable expenses thus incurred including reasonable attorney's fees, which shall be payable on demand.
23. **FORCE MAJEURE:** Neither party hereto shall be required to perform any term, condition or covenant of this Lease as long as such performance is delayed or prevented by Force Majeure, which shall mean Acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of such party and which, by the exercise of due diligence, such party is unable to prevent or overcome. Notwithstanding anything herein to the contrary, the foregoing shall not excuse either party from the payment of any moneys due pursuant to the terms of this Lease.
24. **QUIET ENJOYMENT:** Lessor warrants that it has full right of power to execute and perform this Lease and to grant and convey the estate demised herein and Lessor warrants that there are no prohibitive zoning or other restrictions which in any way prohibit or limit Lessee's permitted use hereunder. Lessor further warrants that Lessee, on payment of the rent and performance of the covenants herein contained, shall peaceably and quietly have, hold and enjoy the Demised Premises, for the uses and purposes herein set forth, during the Lease Term and any extension or renewal thereof, free from hindrance by Lessor or any party claiming by, through or under Lessor, subject, however, to Lessor's right of entry as set forth in Paragraph 8E.
25. **RENEWAL OPTION:** Lessee and any subtenant which has been approved by Lessor shall have the right and option to renew this Lease for two (2) additional terms of seven (7) years each. Not later than one hundred eighty (180) days (time being of the essence) prior to expiration of the primary seven year term, and if extended not later than one hundred eighty (180) days (time being of essence) prior to the expiration of the first extended seven (7) year term, Lessee or such subtenant may elect to exercise such option to renew this Lease for such additional seven year term or successive seven (7) year term under the same terms, conditions, and covenants as set forth herein. Provided, however, the Payment of Rent as provided in Paragraph 3 herein, shall be amended to provided for annual rents to increase by ten percent (10%) from the preceding years annual rent. Such annual rents shall be payable in equal monthly installments.
26. **HOLDING OVER:** If Lessee holds over the Demised Premises or any part thereof after the expiration of the Lease Term, unless otherwise agreed in writing, such holding over shall constitute and be construed as a tenancy from month-to-month only, at a monthly rent equal to 125% of the rent paid for the last month of the term of the Lease. All other terms and conditions of the Lease, so far as are applicable to

a month-to-month tenancy, shall remain as stated herein.

27. **ASSIGNMENT AND SUBLETTING:** Upon obtaining Lessor's prior written consent, which consent may be granted or withheld in Lessor's discretion, Lessee shall have the right to assign this Lease or sublet the Demised Premises, in whole or in part, to any person, firm or corporation. In the event of an assignment or sublease, with Lessor's consent, Lessee shall be released from all obligations, covenants and liabilities under this Lease.
28. **SUBORDINATION AND ATTORNMENT:** Lessee agrees that this Lease and its interest hereunder shall be subordinate to any mortgage, deed of trust, ground lease or other security instrument now or hereafter placed upon the Demised Premises by Lessor, and to any and all advances made or to be made thereunder, to the interest thereon, and all renewals, replacements, consolidations, refinancing and extensions thereof; provided, however, that any such mortgage or other security instrument to which this Lease shall be subordinate shall contain a provision to the effect that as long as Lessee is not in default under this Lease, this Lease shall not be terminated nor Lessee's possession hereunder disturbed in any proceeding to foreclose the mortgage or in any other action instituted in connection with such mortgage, and that Lessee shall not be named as the defendant in any foreclosure action or proceeding which may be instituted by the holder of such mortgage and that an agreement embodying such provision shall be entered into by the mortgagee or the holder of such other security instrument simultaneously with the execution of the mortgage or other security instrument. If Lessor conveys in a sale all of its rights and duties in and to this Lease and/or Demised Premises and the realty underlying the Demised Premises, or if an interest in Lessor or Lessor's equity of redemption or other interest in this Lease and the Demised Premises under a mortgage, deed of trust, pledge or security agreement is foreclosed judicially or nonjudicially upon the request of Lessor's lawful successor, Lessee shall attorn to such successor, provided that such successor accepts the Demised Premises subject to the terms, conditions and covenants of this Lease and further provided that such successor shall recognize Lessee's right to the use and possession of the Demised Premises pursuant to the terms of this Lease as long as Lessee shall not be in default hereunder.
29. **ESTOPPEL CERTIFICATES:** At any time after September 15, 1997 and from time to time during the Lease Term, Lessee agrees, within 30 days after receipt thereof from Lessor, to execute, acknowledge and deliver to Lessor a written statement certifying that this Lease is unmodified and in full force and effect (or, if there has been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which the rent and other charges have been paid in advance, if any, and stating whether or not Lessor is in default in the performance of any covenant, agreement or condition contained in this Lease, and if so, specifying each such default. It is intended that any such statement delivered pursuant to this Paragraph may be relied upon by any party to whom such certificate may be delivered by Lessor.
30. **SUCCESSORS:** The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors-in-interest and legal representatives, except as otherwise herein expressly provided. In the event Lessor conveys or otherwise disposes of the Demised Premises all liabilities and obligations of Lessor accruing after the date of transfer shall be assumed by such successor-in-interest as Lessor.
31. **ACCORD AND SATISFACTION:** No payment by Lessee or receipt by Lessor of a lesser amount than the monthly installment of rent herein required to be paid shall be deemed to be other than on account of the earliest stipulated payment of same nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such

payment or pursue any other remedy provided for in this Lease.

32. UTILITIES: All heat, water, electric current, gas, or other utilities used on the Demised Premises shall be paid by Lessee.
33. USE OF LANGUAGE: Words of any gender used in this Lease shall be held and construed to include any other gender and words in the singular shall be held to include the plural, unless the context otherwise requires.
34. EXHIBITS: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes.
35. RELATIONSHIPS OF THE PARTIES: Nothing in this Lease shall be deemed or construed as creating a partnership, joint venture, principal-agent or employer-employee relationship between Lessor and Lessee.
36. SEVERABILITY: It is agreed that, if any provision of this Lease shall be determined to be void by any court or competent jurisdiction, then such determination shall not affect any other provision of this Lease and all other provisions shall remain in full force and effect. It is the intention of the parties hereto that, if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
37. REMEDIES CUMULATIVE: Both parties agree that any and all rights and remedies contained in this Lease are cumulative and are in addition to any rights and remedies either party may have at law or by statute, present or future.
38. HEADINGS: The headings to the various paragraphs hereof have been inserted for reference only and shall not to any extent have the effect of modifying, amending, or changing the expressed terms and provisions hereof.
39. NOTICES: Except as otherwise provided in this Lease, all notices and documents required or permitted to be delivered herein shall be deposited in the United States Mail, shall be given by registered or certified mail, return receipt requested, postage prepaid, or other delivery service which provides a tracking receipt and shall be deemed to be delivered when received or refused by the intended party as evidenced on the return receipt. All such notices shall be addressed to the parties hereto as their respective addresses first set forth above or at such other address or addresses as the parties may designate. Provided, however, a copy of any notice or document required or permitted to be delivered to Lessee shall be sent to P. O. Box 366, Walls, MS 38680.
40. ENVIRONMENTAL:
 - A. Compliance with Laws.
 - (1) Lessor and Lessee as to their respective obligations and responsibilities herein shall comply with and use its best efforts (including the diligent prosecution of legal proceedings seeking injunctive and other appropriate relief) to ensure compliance by each respective party and all tenants, subtenants, officers, directors, employees, agents, contractors and invitees of Lessee with all applicable Environmental Laws and shall obtain and comply with any permits required thereunder. Lessor and Lessee shall coordinate the registration of all underground or above-ground storage tanks and related pumps, lines, and equipment in accordance with, and thereafter maintain registration and compliance with, the applicable law and procedures of the State of Mississippi tank registration program or

other similar laws and regulations applicable to storage tanks in the jurisdiction.

- (2) Lessee shall not (1) cause or permit the presence, use, generation, manufacture, production, processing, installation, release, discharge, storage (including storage in above ground and underground storage tanks for petroleum or petroleum products), treatment, handling, or disposal of any Hazardous Materials (as defined below) (excluding the safe and lawful use and storage of (i) quantities of petroleum products, customarily used in the operation and maintenance of comparable deli and convenience store with automotive gasoline and diesel dispenser properties and (ii) quantities of Hazardous Materials customarily used for normal deli and convenience store with automotive gasoline and diesel dispenser purposes) on or under the Demised Premises, or in any way affecting the Demised Premises or its value or which may form the basis for any present or future claim, demand or action seeking cleanup of the Demised Premises, or the transportation of any Hazardous Materials to or from the Demised Premises, (2) cause or exacerbate any occurrence or condition on the Demised Premises that is or may be in violation of Hazardous Materials Law (as defined below) [the matters described in clauses (1) and (2) above being referred to collectively below as "Prohibited Activities or Conditions"]. Lessor represents and warrants that it has not at any time caused or permitted any Prohibited Activities or Conditions and that, to the best of its knowledge, no Prohibited Activities or Conditions exist or have existed on or under the Demised Premises. Lessee shall take all appropriate steps to prevent its employees, agents, and contractors, and all customers and invitees from causing, permitting, or exacerbating any Prohibited Activities or Conditions.

B. Conduct Tests. Prior to occupancy of the Demised Premises, Lessee may, at Lessee's option, conduct and complete all investigations, studies, sampling and testing procedures necessary or appropriate to determine the current presence on the Demised Premises of any Hazardous Materials and the current violation of or noncompliance with Environmental Law.

C. Reporting Requirements.

- (1) Lessor and Lessee shall promptly supply to the other copies of all notices, reports, correspondence and submissions made by Lessee to EPA, the United States Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission or any information concerning environmental matters or hazardous wastes or substances pursuant to Environmental Laws.
- (2) Lessor represents that Lessor has not received and has no knowledge of the issuance of any claim, citation or notice of any pending or threatened suits, proceedings, orders, or governmental inquiries or options involving the Demised Premises that allege the violation of any Hazardous Materials Law ("Governmental Actions").
- (3) Lessor and Lessee shall promptly notify the other in writing of: (1) any Governmental Actions or (2) any claim made or threatened by any third party against Lessee, Lessor, or the Demised Premises relating to loss or injury resulting from any occurrence or condition on the Demised Premises or any other real property that could require the removal from the Demised Premises of any Hazardous Materials or

cause any restrictions on the ownership, occupancy, transferability or use of the Demised Premises under Hazardous Materials Law. Lessor and Lessee shall cooperate with any governmental inquiry, and shall comply with any governmental or judicial order which arises from any alleged Prohibited Activities or Conditions.

D. Governmental Action/Environmental Lien: Lessor and Lessee shall promptly notify the other party as to any liens threatened or attached against the Demised Premises pursuant to any Environmental Law.

E. Hazardous Materials Defined.

(1) The term "Hazardous Materials," for purposes of this Lease, includes petroleum and petroleum products, flammable explosives, radioactive materials (excluding only radioactive materials in smoke detectors), polychlorinated biphenyls ("PCBs"), lead, asbestos or asbestos containing materials in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous waste," "extremely hazardous wastes," or "restricted hazardous waste" by Hazardous Materials Law or regulated by Hazardous Materials Law in any manner whatsoever.

(2) The term "Hazardous Materials Law", for the purposes of this Lease, means all federal, state and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements and any court judgments applicable to Lessee or to the Demised Premises relating to industrial hygiene or to environmental or unsafe conditions or to human health including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Demised Premises, and those relating to the atmosphere, soil, surface and ground water wetlands, stream sediments and vegetation on, under, in or about the Demised Premises. "Hazardous Materials Law" also shall include, but not limited to, the following laws, as amended as set forth herein and as subsequently amended: (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1984, 42 U.S.C.A. 9601, et seq.; (2) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 31 U.S.C.A. 6901, et seq.; (3) the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, as amended, 33 U.S.C.A. 1251, et seq.; (4) the Toxic Substances Control Act of 1976, as amended, 15 U.S.C.A. 2601, et seq.; (5) the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. 11001, et seq.; (6) the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C.A. 7401, et seq.; (7) the National Environmental Policy Act of 1969, as amended, 42 U.S.C.A. 4321, et seq.; (8) the Rivers and Harbors Act of 1899, as amended, 33 U.S.C.A. 401, et seq.; (9) the Endangered Species Act of 1973, as amended, 16 U.S.C.A. 1531, et seq.; (10) the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C.A. 651, et seq.; (11) the

Safe Drinking Water Act of 1974, as amended, 42 U.S.C.A. 300(f), et seq.; and (12) the Hazardous Materials Transportation Act of 1976, 49 U.S.C.A. 1801, et seq., and all regulations adopted in respect to the foregoing laws.

- F. Remedies Cumulative Survival. The provisions of this Paragraph 40 shall be in addition to any and all obligations and liabilities Lessee may have to the Lessor at common law, and shall survive the termination, cancellation or surrender of the Lease.
- G. Inspection. Lessor and Lessor's agents, servants and employees including, without limitation, legal counsel and environmental consultants and engineers retained by Lessor, may (but without the obligation or duty so to do), at any time and from time to time, on not less than three (3) Business Days' notice to Lessee (except in the event of an emergency), inspect the Demised Premises to determine whether Lessee is complying with Lessee's obligations set forth in this Paragraph 40 [i.e. Hazardous Materials and Environmental Laws Compliance], and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as Lessor and Lessee agree upon. Notwithstanding anything to the contrary contained in this Lease, if Lessor or Lessee is not in such compliance, same shall constitute a default hereunder and either party shall have the right, in addition to other remedies available at law and in equity, to immediately enter upon the Demised Premises and take such action as such party shall in its sole judgment deem appropriate to remediate any actual or threatened contamination caused by the other parties failure to comply. Lessor shall use reasonable efforts to minimize interference with Lessee's business but shall not be liable for any interference caused by Lessor's entry and remediation efforts. Upon completion of any sampling or testing Lessor shall (at Lessee's expense if Lessor's actions shall be a result of Lessee's default under this Section) restore the affected area of the Demised Premises from any damage caused by Lessor's sampling and testing.

The representations, warranties, covenants, obligations, and liabilities of Lessee contained in this Paragraph 40 shall be in addition to any an all other obligations and liabilities that Lessee may have to Lessor under applicable law or at common law.

41. **GOVERNING LAW:** This Lease shall be governed by and interpreted under the laws of the State of Mississippi.
42. **GRANT OF RIGHT OF FIRST REFUSAL:** During the term of this Lease and any renewal period or periods as provided herein, Lessor grants to Lessee a right of first refusal with respect to the purchase of the real property located at 6420 Highway 51 North, in the City of Walls, DeSoto County, Mississippi, which property is more particularly described on Exhibit "A" attached hereto and made a part hereof, on such terms and conditions as more particularly described on Exhibit "B" attached hereto and made a part hereof.

EXECUTED THIS 16th day of September, 1997.

LESSEE:

Allen Mallett
Allen Mallett 428-72-2962

Barbara H. Mallett
Barbara H. Mallett 427-88-7406

WITNESS:

THE ETR

Federal Taxpayer I.D. No.

64-0606429

LESSOR:

PEBE'S Convenience and Service, LLC

BY:

Denton C. Peabody, Member

WITNESS:

THE ETR

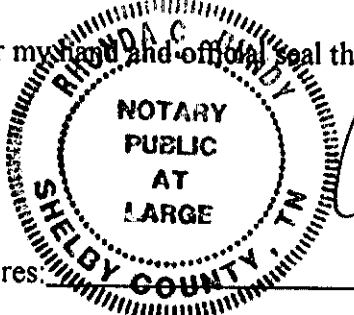
Federal Taxpayer I.D. No.

72-1391019

STATE OF TENNESSEE
COUNTY OF SHELBY

This day personally appeared before me, the undersigned authority in and for said County and State, the within named Allen Mallett and Barbara H. Mallett, husband and wife, who acknowledged signing and delivering the above and foregoing Lease Agreement on the day and date therein mentioned as a free and voluntary act and deed and for the purposes therein expressed.

GIVEN under my hand and official seal this the 16th day of September, 1997.



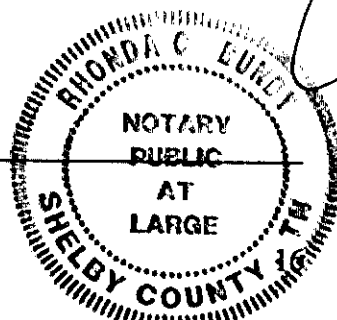
Rhonda C. Eubank
Notary Public

My Commission Expires:

STATE OF TENNESSEE
COUNTY OF SHELBY

Personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named Denton C. Peabody, who acknowledged being a member of PEBE'S Convenience and Service, LLC, a Mississippi Limited Liability Company, and for and on behalf of the said limited liability company and as its act and deed signing, sealing and delivering the above and foregoing Lease Agreement for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said limited liability company so to do.

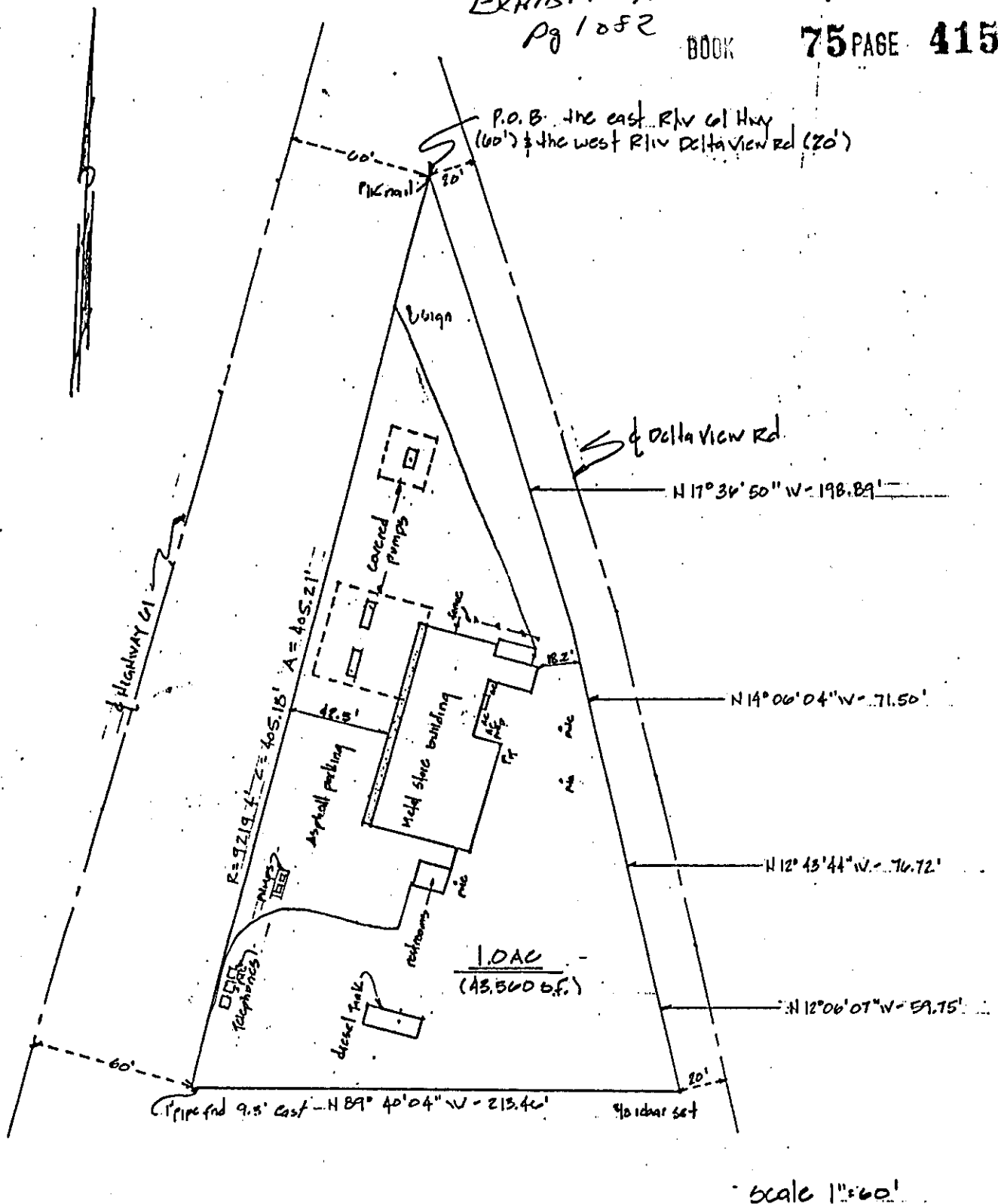
GIVEN under my hand and official seal this the 16th day of September, 1997.



Rhonda C. Eubank
Notary Public

My Commission Expires:

My Commission Expires 1-12-99

BOUNDARY SURVEY

1.0 AC located in the SE 1/4 of NE 1/4 & the NE 1/4 of SE 1/4 of
Section 33, Township 1 South, Range 9 West, DeSoto Co., Mississippi.

Field Work Date 8/97/97
Trv. Clos. Angle 0.0015 Dist. 0.18

Ref: 157/457 146/461 105/149

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY AS SHOWN HEREON FROM PHYSICAL FEATURES FOUND ON THE GROUND AND DEEDS OF RECORD, AND THAT THIS PLAT IS A TRUE AND CORRECT EXEMPLIFICATION OF A CLASS C SURVEY. ALSO ACCORDING TO FIA MAP NO. 28033 DATED 3 May 90 THIS PROPERTY IS NOT LOCATED IN A HUD IDENTIFIED FLOOD HAZARD ZONE. CERTIFIED TO THIS THE 5 DAY OF Sept

JERRY STAFFORD, MS. RLS#2633

STAFFORD SURVEYING - 6750 BLACK OAK DR. W. - WALLA, MISSISSIPPI - 38680
TELE. 601/781-0310 FAX. 601/781-3559

1.0 acre (43,560.0 s.f.) being part of the northeast quarter of the southeast quarter and of the southeast quarter of the northeast quarter of section 33, township 1 south, range 9 west of DeSoto County, Mississippi and is described as follows:

Beginning at a p/k nail where the east right of way of Highway 61 (60') intersects the west right of way of Delta View Road (20'). Said point being the point of beginning and the north corner of 1.0 acre lot. Thence southwest along the southeast right of way of Highway 61 with a curve to the left with a arc distance of 405.21' and a radius of 14,826.41' to a point, marked by a 1" pipe 9.3' east on line. Thence N 89°40'04" W - 213.46' to a 3/8" rebar on the west right of way of Delta View Road (20' from centerline of road). Thence along the east right of way of Delta View Road the following calls; N 12°06'07" W - 59.75', N 12°43'44" W - 76.72', N 14°06'04" W - 71.5', N 17°36'50" W - 198.89' to the point of beginning.

GRANT OF RIGHT OF FIRST REFUSAL
WITH RESPECT TO PURCHASE OF PROPERTY

This grant of right of first refusal made on September 16, 1997 by Allen Mallett and Barbara H. Mallett, husband and wife ("Seller"), having an address of PO Box 35, Walls, Mississippi 38680 and PEBE'S Convenience and Service, LLC, a Mississippi Limited Liability Company ("Purchaser") having an address at 6520 Highway 61 North, Walls, Mississippi 38680.

- A. Seller owns real property located at 6420 Highway 51 North, in the city of Walls, DeSoto County, Mississippi, and described more particularly as Exhibit "A" attached hereto and made a part hereof.
- B. This property is not currently being offered for sale, but Seller recognizes the possibility that it may be offered for sale at some later date.
- C. Purchaser desires to purchase the property of and when it is offered for sale.

In consideration for the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller grants to Purchaser, during the term of the Lease and any renewals as provided therein, first right of refusal with respect to the above described property, as follows:

- 1. If Seller desires to sell the above-described property (or any material part) and receives from some third party a bona fide offer for the purchase of the property, Seller agrees to disclose the terms of such offer to Purchaser, in writing, within thirty (30) days following receipt of the offer.
- 2. Purchaser shall have fifteen (15) days after receiving notice of the terms of the offer within which to elect to purchase the entire property or the same material part on terms identical to those offered by the third party. Such an election shall be made by written notice to Seller at the address set forth above. Within fifteen (15) days thereafter, the parties shall enter into formal contract of sale containing the provisions normally used in such contracts in DeSoto County, Mississippi, and expressly including all terms of the original bona fide offer made to Seller, except as the parties may mutually agree.
- 3. If Purchaser fails to give the notice and to tender the payment as provided in Paragraph 2, Seller shall be relieved of all liability to Purchaser under this agreement and may dispose of the property as Seller sees fit.
- 4. Within twenty (20) days of Purchaser's exercise of the right to purchase as set forth in this agreement Seller shall obtain evidence of marketable title to the property and submit the same to Purchaser for examination. Thereafter, Purchaser shall have twenty (20) days within which to notify Seller as to any defects in or objections to the title as so evidenced and Seller shall have the opportunity to remedy any such defects or objections within thirty (30) days. If, by the end of the last period specified, Seller cannot show satisfactory title, Purchaser shall have the option either: (a) continuing the transaction with such contract modifications as the parties may mutually agree to; or (b) rescinding any contract between the parties.

EXECUTED at Memphis, Tennessee at the date first written above.

SELLER:

PURCHASER:

PEBE'S Convenience and Store, LLC,
a Mississippi Limited Liability Company

Allen Mallett
Allen Mallett

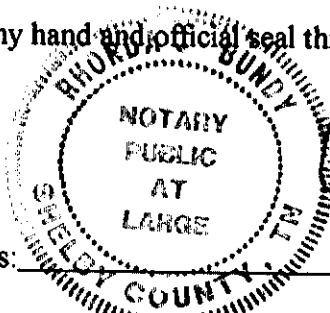
By: Denton C. Peabody
Denton C. Peabody, Member

Barbara H. Mallett
Barbara H. Mallett

STATE OF TENNESSEE
COUNTY OF SHELBY

This day personally appeared before me, the undersigned authority in and for said County and State, the within named Allen Mallett and Barbara H. Mallett, husband and wife, who acknowledged signing and delivering the above and foregoing Lease Agreement on the day and date therein mentioned as a free and voluntary act and deed and for the purposes therein expressed.

GIVEN under my hand and official seal this the 16th day of September, 1997.



Rhonda C. Bundy
Notary Public

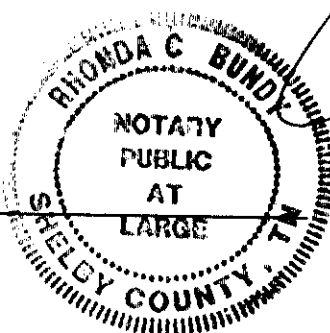
My Commission Expires:

STATE OF TENNESSEE
COUNTY OF SHELBY

My Commission Expires 1-12-99

Personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named Denton C. Peabody, who acknowledged being a member of PEBE'S Convenience and Service, LLC, a Mississippi Limited Liability Company, and for and on behalf of the said limited liability company and as its act and deed signing, sealing and delivering the above and foregoing Lease Agreement for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said limited liability company so to do.

GIVEN under my hand and official seal this the 16th day of September, 1997.



Rhonda C. Bundy
Notary Public

My Commission Expires:

September 16, 1997 G:\WPDocs\Client\Peabody\Right...
My Commission Expires 1-12-99